

House File 445 - Introduced

HOUSE FILE _____
BY UPMEYER, TOMENGA, HEATON, HOFFMAN,
DOLECHECK, WORTHAN, SODERBERG,
MAY, WATTS, SANDS, ANDERSON,
DRAKE, GREINER, CLUTE, RAYHONS,
L. MILLER, BOAL, HUSEMAN,
RASMUSSEN, CHAMBERS, ALONS,
TJEPKES, DE BOEF, ARNOLD,
KAUFMANN, JACOBS, STRUYK,
S. OLSON, GRASSLEY, PAULSEN,
and GRANZOW

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to performance and disclosure standards for
2 long-term care insurance.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1461YH 82
5 av/je/5

PAG LIN

1 1 Section 1. Section 514G.7, subsection 1, Code 2007, is
1 2 amended to read as follows:
1 3 1. a. RULES. The commissioner ~~may~~ shall adopt rules for
1 4 full and fair disclosure of the terms and benefits of a
1 5 long-term care insurance policy, including but not limited to
1 6 rules setting forth the manner, content, and required
1 7 disclosures for the sale of long-term care insurance policies,
1 8 terms of renewability, initial and subsequent conditions of
1 9 eligibility, nonduplication of coverage provisions, coverage
1 10 of dependents, preexisting conditions, termination of
1 11 insurance, probationary periods, limitations, exceptions,
1 12 reductions, elimination periods, requirements for replacement,
1 13 recurrent conditions, and definitions of terms. The rules
1 14 shall establish a standard format for long-term care insurance
1 15 policies offered in this state to facilitate comparison by
1 16 consumers of the various long-term care insurance policies
1 17 offered.

1 18 b. REVIEW OF POLICIES. The commissioner shall review and
1 19 approve the terms and benefits of a new policy of long-term
1 20 care insurance or an amendment to an existing policy of such
1 21 insurance before the new policy or amended policy is offered
1 22 in this state. The commissioner shall disapprove any new
1 23 policy or amended policy that contains misrepresentations,
1 24 unclear language, or inadequate explanations, is otherwise
1 25 confusing or misleading to an applicant for such insurance, or
1 26 fails to comply with the requirements of this chapter. The
1 27 commissioner shall adopt rules as deemed necessary to
1 28 implement this subsection, in accordance with chapter 17A.

1 29 Sec. 2. Section 514G.7, Code 2007, is amended by adding
1 30 the following new subsection:

1 31 NEW SUBSECTION. 1A. REVIEW OF RATES. The commissioner
1 32 shall review and approve a proposed rate increase for long-
1 33 term care insurance before the proposed rate increase is
1 34 effective. The commissioner shall disapprove any rate
1 35 increase that is not reasonable under the circumstances. The
2 1 commissioner shall provide public notice of all proposed rate
2 2 increases for long-term care insurance prior to approval or
2 3 disapproval of the proposed rate increase. The commissioner
2 4 shall adopt rules as deemed necessary to implement this
2 5 subsection, in accordance with chapter 17A.

2 6 EXPLANATION

2 7 This bill relates to disclosure and performance standards
2 8 for long-term care insurance offered in the state.

2 9 The bill requires the commissioner of insurance to adopt
2 10 rules for full and fair disclosure of the terms and benefits
2 11 of long-term care insurance contracts offered in the state.

2 12 Currently, the commissioner is authorized but not required to
2 13 adopt such rules.

2 14 The bill requires the commissioner to adopt rules that
2 15 establish a standard format for long-term care insurance
2 16 policies to facilitate comparison by consumers of the various
2 17 long-term care insurance policies offered.

2 18 The bill requires the commissioner to review and approve
2 19 the terms and benefits of a new policy of long-term care
2 20 insurance or an amendment to an existing policy of such
2 21 insurance before the new policy or amended policy is offered
2 22 in this state. The commissioner is required to disapprove any
2 23 new policy or amended policy that contains misrepresentations,
2 24 unclear language, or inadequate explanations, is otherwise
2 25 confusing or misleading to an applicant for such insurance, or
2 26 fails to comply with the requirements of Code chapter 514G.
2 27 The commissioner is required to adopt rules to implement this
2 28 process in accordance with Code chapter 17A.

2 29 The bill requires the commissioner to review and approve a
2 30 proposed rate increase for long-term care insurance before the
2 31 rate increase is effective and to disapprove any rate increase
2 32 that is not reasonable under the circumstances. The bill also
2 33 requires the commissioner to provide public notice of all
2 34 proposed rate increases for long-term care insurance prior to
2 35 approval or disapproval of the proposed rate increase. The

3 1 commissioner is required to adopt rules to implement this
3 2 process in accordance with Code chapter 17A.

3 3 LSB 1461YH 82

3 4 av:nh/je/5